



Meridian.

Wind. Water. Sun.

The power to make
a difference.

MONTHLY OPERATING REPORT AUGUST 2019



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AUGUST HIGHLIGHTS

In the month to 6 September 2019, national hydro storage decreased from 106% to 97% of historical average

South Island storage sat at 98% of average and North Island storage at 94% of average on 6 September 2019

Meridian's August 2019 monthly total inflows were 99% of historical average

Meridian's Waitaki catchment storage at the end of August 2019 was 123% of historical average

Storage in Meridian's Waiau catchment was above average at the end of August 2019

National electricity demand in August 2019 was 2.4% higher than the same month last year

August 2019 saw variable temperatures and rainfall patterns across the country with a predominately cooler southwesterly wind flow

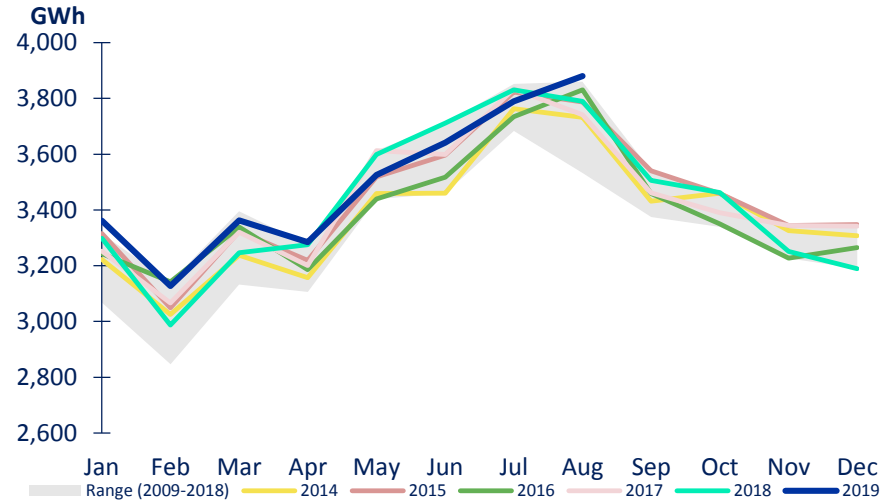
New Zealand Aluminium Smelter's load during August 2019 was below the contract level of 622MW

Meridian's New Zealand retail sales volumes in August 2019 were 19.1% higher than August 2018

MARKET DATA

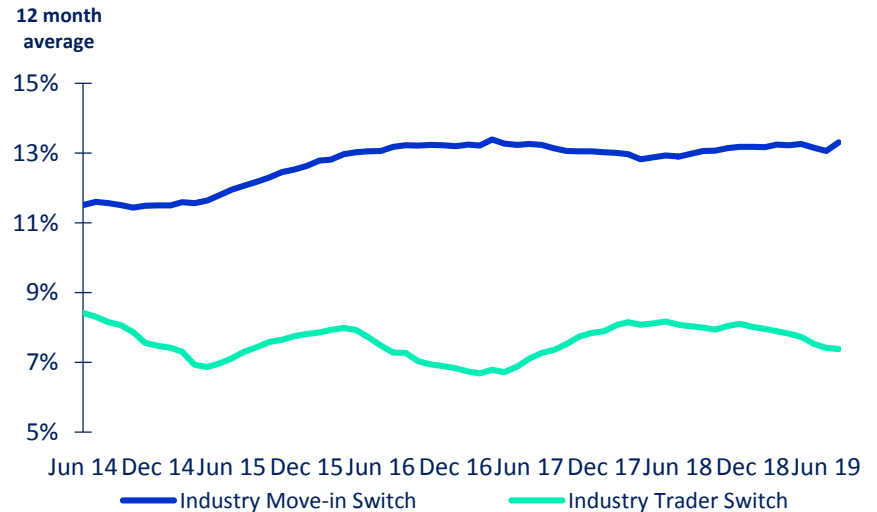
- National electricity demand in August 2019 was 2.4% higher than the same month last year
- August 2019 saw variable temperatures and rainfall patterns across the country with a predominately cooler southwesterly wind flow
- Demand in the last 12 months was 0.3% higher than the preceding 12 months
- New Zealand Aluminium Smelter's load during August 2019 was below the contract level of 622MW
- 12-month average switching rate of customers changing retailers but not moving (“trader” switch) was 7.4% at the end of July 2019
- 12-month average switching rate of customers moving and changing retailers (“move-in” switch) was 13.3% at the end of July 2019

NATIONAL DEMAND



Source: Electricity Authority

MARKET ICP SWITCHING (ALL RETAILERS)

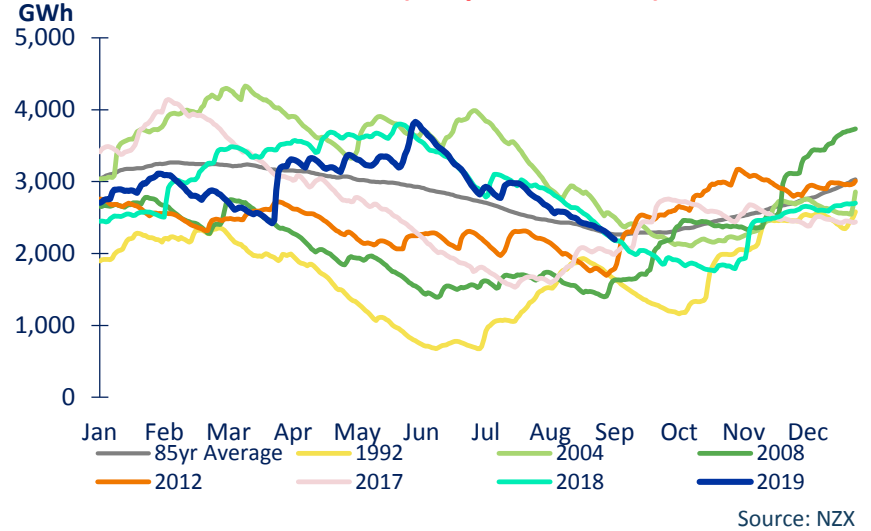


Source: Electricity Authority

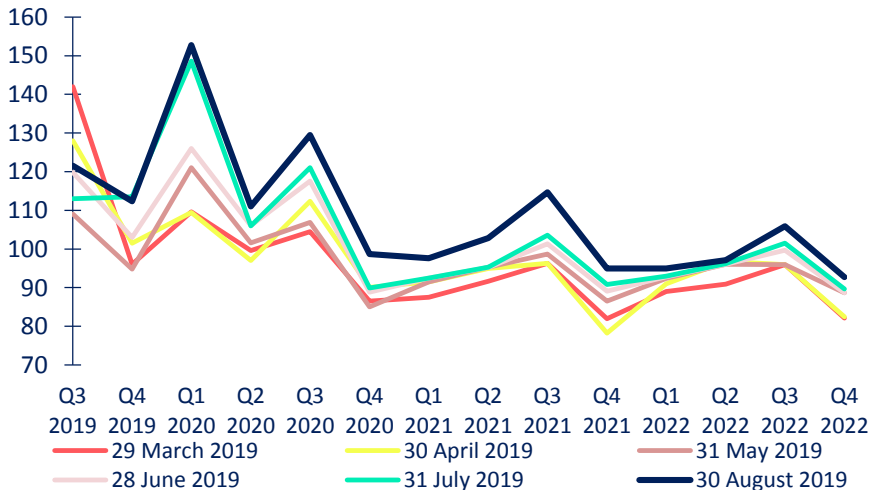
MARKET DATA

- August 2019 saw further near-term ASX prices rise as national storage declined, with gas and transmission outages planned for Q1 2020
- National storage decreased from 106% of average on 12 August 2019 to 97% of average on 6 September 2019
- South Island storage decreased to 98% of historical average on 6 September 2019. North Island storage increased to 94% of average

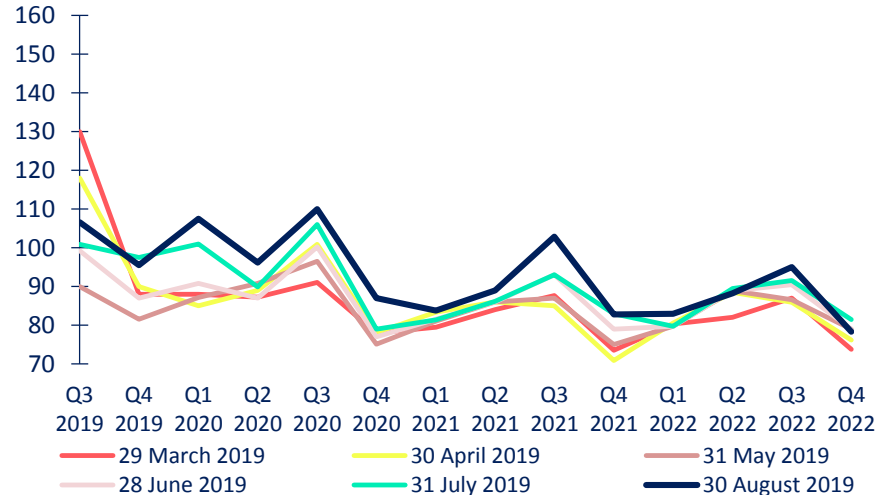
NATIONAL HYDRO STORAGE (6 September 2019)



OTAHUHU ASX FUTURES SETTLEMENT PRICE
\$/MWh



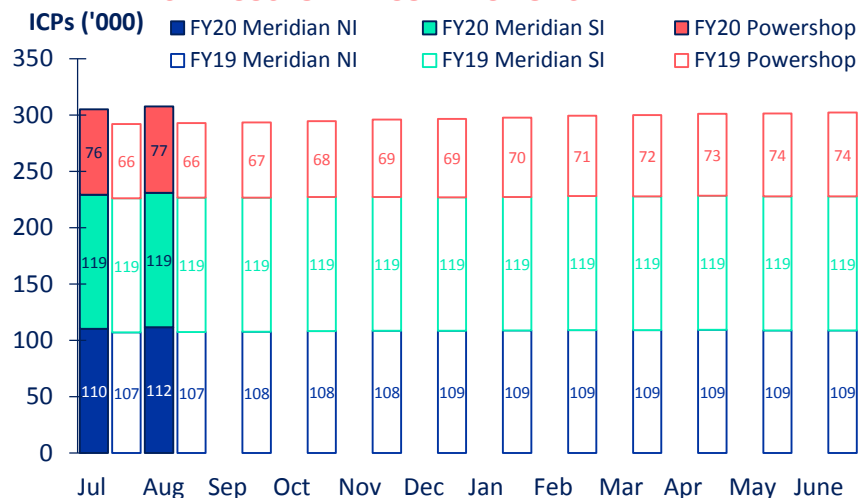
BENMORE ASX FUTURES SETTLEMENT PRICE
\$/MWh



NEW ZEALAND RETAIL

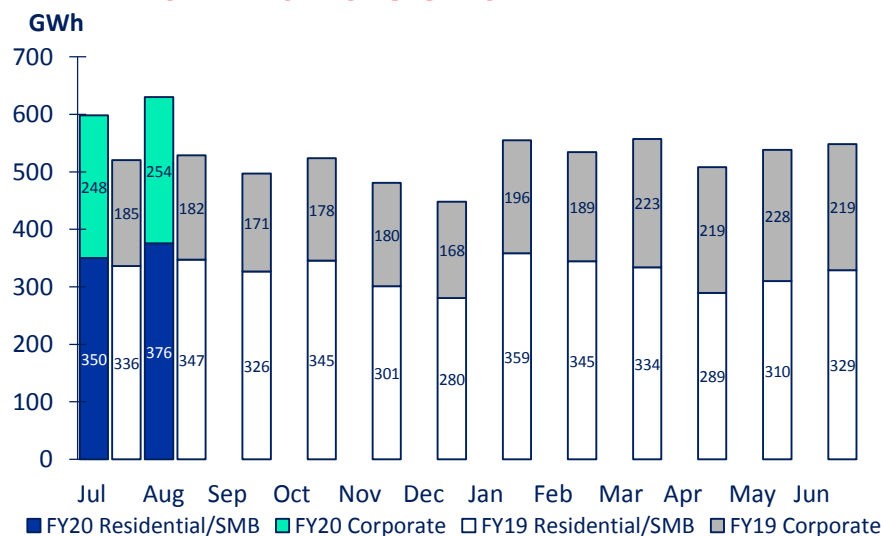
- Meridian's New Zealand customer connection numbers rose 0.9% during August 2019
- Retail sales volumes in August 2019 were 19.1% higher than August 2018
- Compared to August 2018, residential/SMB sales volumes increased by 8.2% (increases in all segments) and corporate sales volumes increased by 40.0%
- To date this financial year, retail sales volumes are 17.1% higher than the same period last year
- This reflects a 6.2% increase in residential/SMB sales volumes and a 37.3% increase in corporate sales volumes

MERIDIAN'S NZ CUSTOMER CONNECTIONS



Source: Meridian

MERIDIAN'S RETAIL SALES VOLUMES*



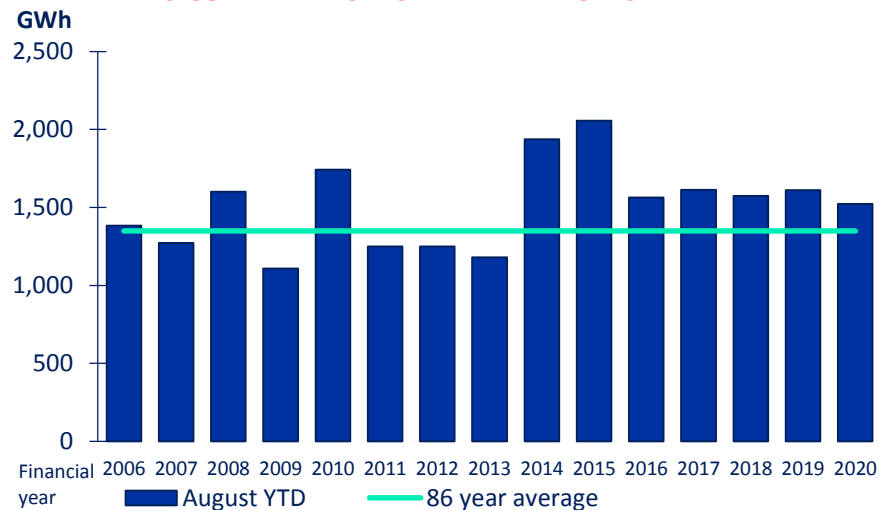
Source: Meridian

*excludes volumes sold to New Zealand Aluminium Smelters and CFDs

NEW ZEALAND STORAGE

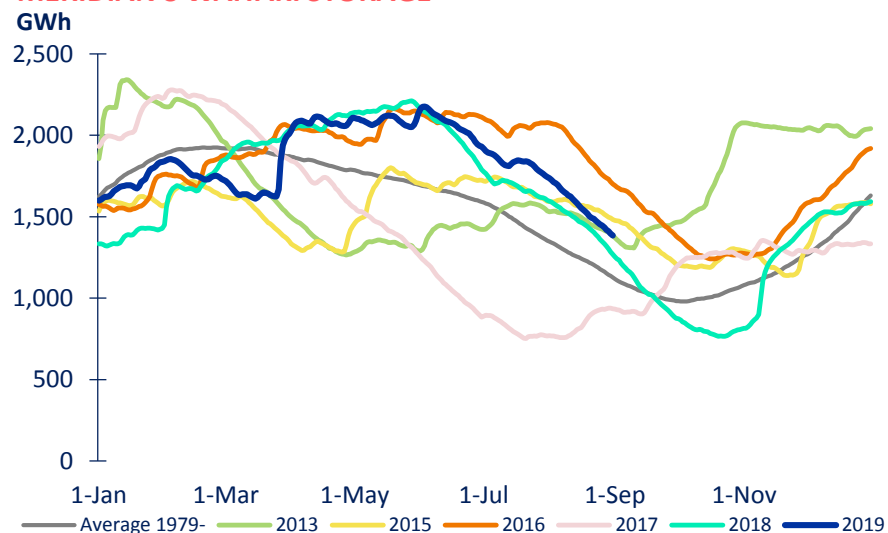
- August 2019 monthly inflows were 99% of historical average
- To date this financial year, inflows are 113% of historical average
- Meridian's Waitaki catchment storage moved from 1,745GWh to 1,385GWh during August 2019
- Waitaki storage at the end of August 2019 was 123% of historical average and 9% higher than the same time last year
- Storage in Meridian's Waiau catchment was above average at the end of August 2019

MERIDIAN'S COMBINED CATCHMENT INFLOWS



Source: Meridian

MERIDIAN'S WAITAKI STORAGE

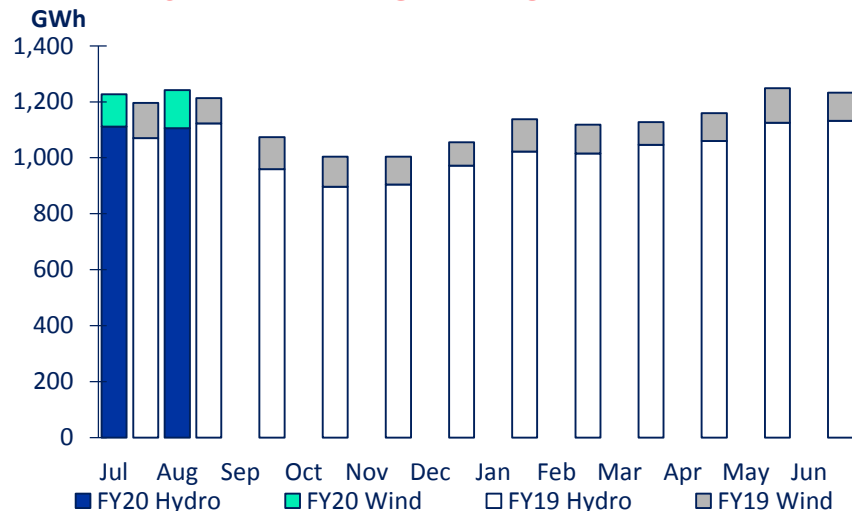


Source: Meridian

NEW ZEALAND GENERATION

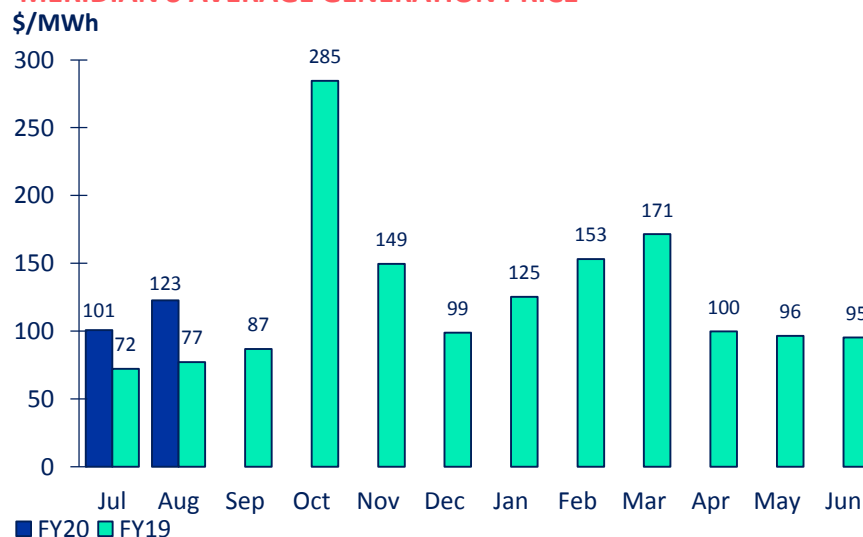
- Meridian's New Zealand generation in August 2019 was 2.4% higher than the same month last year, reflecting lower hydro generation and higher wind generation
- To date this financial year, Meridian's New Zealand generation is 2.5% higher than the same period last year, reflecting higher hydro generation and wind generation
- The average price Meridian received for its generation in August 2019 was 58.9% higher than the same month last year
- The average price Meridian paid to supply customers in August 2019 was 50.6% higher than the same month last year
- To date this financial year, the average price Meridian received for its generation is 49.7% higher than the same period last year and the average price paid to supply customers is 44.4% higher

MERIDIAN'S NEW ZEALAND GENERATION



Source: Meridian

MERIDIAN'S AVERAGE GENERATION PRICE*



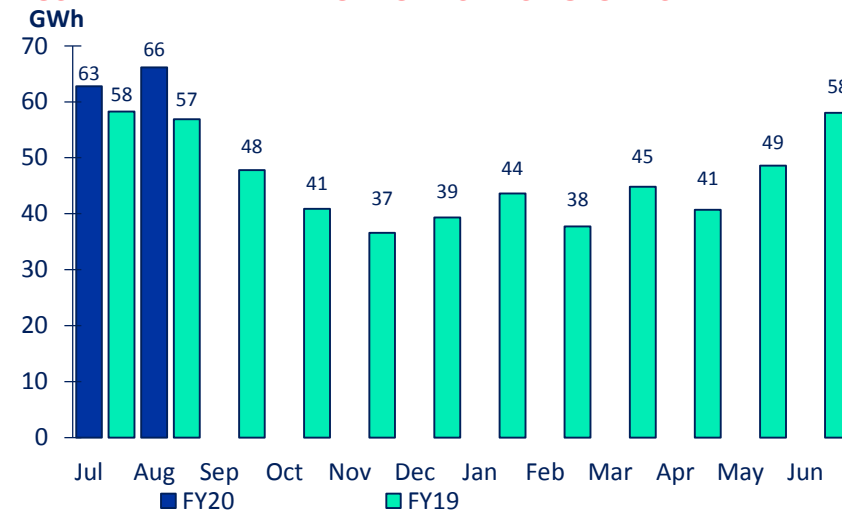
Source: Meridian

*price received for Meridian's physical generation

AUSTRALIAN RETAIL

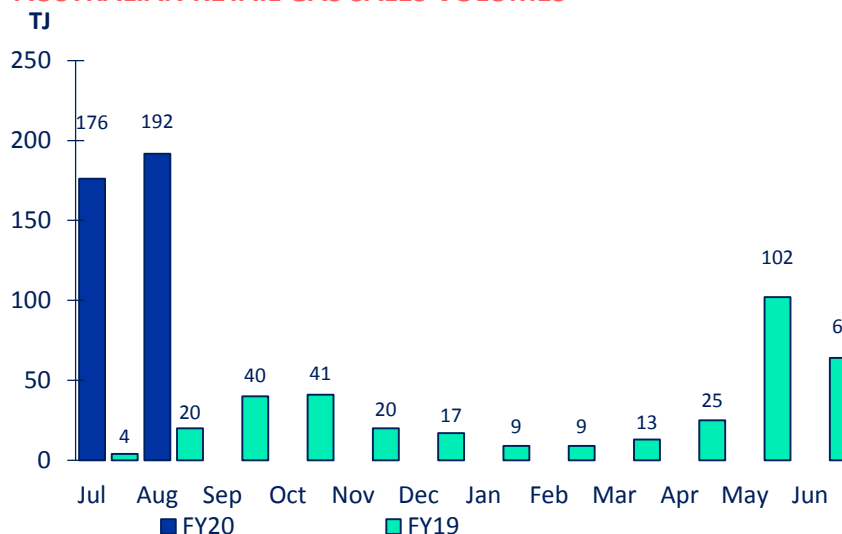
- Australian retail electricity sales volumes in August 2019 were 16.3% higher than the same month last year
- To date this financial year, Australian retail electricity sales volume is 11.9% higher than the same period last year
- Powershop Australia electricity customer connection numbers rose 1.5% during August 2019
- Gas customer connection numbers rose 4.7% during August 2019, with sales in the month of 192TJ

AUSTRALIAN RETAIL ELECTRICITY SALES VOLUMES



Source: Meridian

AUSTRALIAN RETAIL GAS SALES VOLUMES

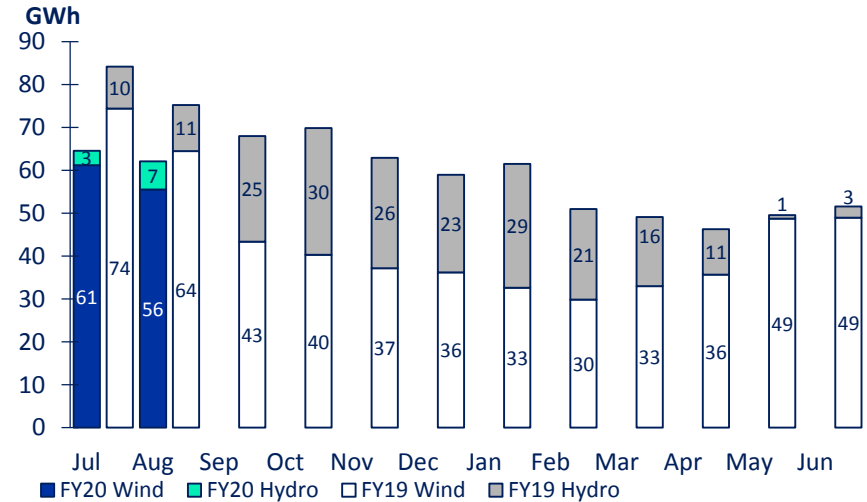


Source: Meridian
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AUSTRALIAN GENERATION

- Meridian's Australian generation in August 2019 was 17.5% lower than the same month last year, reflecting lower wind generation and hydro generation
- To date this financial year, Meridian's Australian generation is 20.6% lower than the same period last year, reflecting lower hydro generation and wind generation

MERIDIAN'S AUSTRALIAN GENERATION



Source: Meridian

NEW ZEALAND

	AUGUST 2019 MONTH	AUGUST 2018 MONTH	JULY 2019 MONTH	JUNE 2019 MONTH	2 MONTHS TO AUGUST 2019	2 MONTHS TO AUGUST 2018
New Zealand sales						
Retail contracted sales volume (GWh)	630	529	599	548	1,228	1,049
Average retail contracted sales price ¹ (\$NZ/MWh)	\$115.4	\$110.7	\$113.5	\$113.9	\$114.4	\$111.9
NZAS sales volume (GWh)	463	426	463	448	926	851
Financial contract sales volumes ² (GWh)	176	196	150	129	326	582
Avg. wholesale & financial contracts sales price ³ (\$NZ/MWh)	\$70.9	\$58.5	\$69.9	\$69.6	\$70.4	\$61.6
Retail customer supply volumes (GWh)	662	560	645	592	1,307	1,101
Cost to supply retail customers (\$NZ/MWh)	\$135.6	\$90.0	\$110.4	\$102.8	\$123.2	\$88.6
Cost to supply wholesale customers (\$NZ/MWh)	\$120.5	\$74.4	\$97.9	\$89.7	\$109.2	\$71.7
Cost of financial contracts (\$NZ/MWh)	\$118.2	\$93.1	\$101.9	\$103.0	\$110.7	\$78.9
Total New Zealand customer connections ⁴	307,798	292,906	304,993	302,277		

New Zealand generation						
Hydro generation volumes (GWh)	1,106	1,123	1,111	1,132	2,217	2,193
Wind generation volumes (GWh)	135	90	116	100	252	216
Total generation volumes (GWh)	1,241	1,213	1,227	1,232	2,469	2,409
Average generation price ⁵ (\$NZ/MWh)	\$122.7	\$77.2	\$100.7	\$95.2	\$111.8	\$74.7

New Zealand hedging						
Hedging volume ⁶ (GWh)	139	167	145	138	284	337
Hedging costs (\$NZ/MWh)	\$63.2	\$63.1	\$65.0	\$63.9	\$64.1	\$64.4
Hedging spot revenue average price (\$NZ/MWh)	\$130.5	\$80.8	\$104.4	\$97.5	\$117.1	\$77.6
Future contract close outs (\$NZ m)	-\$0.6	-\$0.3	-\$0.3	-\$0.1	-\$0.8	-\$0.5

	AUGUST 2019 MONTH	AUGUST 2018 MONTH	JULY 2019 MONTH	JUNE 2019 MONTH	2 MONTHS TO AUGUST 2019	2 MONTHS TO AUGUST 2018
Australian contracted sales						
Retail contracted electricity sales volume (GWh)	66	57	63	58	129	115
Average electricity contracted sales price ¹ (\$A/MWh)	\$147.0	\$168.9	\$149.8	\$159.7	\$148.4	\$159.1
Retail contracted gas sales volume (TJ)	192	20	176	64	367	24
Average gas contracted sales price ¹ (\$A/GJ)	\$14.0	\$15.5	\$13.9	\$19.4	\$13.9	\$15.4
Financial contract sales volumes ² (GWh)	43		54	42	97	
Financial contracted sales average price (\$A/MWh)	\$86.1		\$83.3	\$80.7	\$84.5	
Cost to supply electricity customers (\$A/MWh)	\$126.4	\$105.7	\$105.5	\$133.7	\$116.2	\$104.4
Cost to supply gas customers (\$A/GJ)	\$11.4	\$12.8	\$11.8	\$29.4	\$11.6	\$13.0
Cost of financial contracts (\$A/MWh)	\$101.0		\$86.9	\$100.2	\$93.2	
Powershop electricity customer connections ⁷	112,995	96,801	111,373	109,804		
Powershop gas customer connections ⁸	25,240	4,776	24,096	22,612		

	AUGUST 2019 MONTH	AUGUST 2018 MONTH	JULY 2019 MONTH	JUNE 2019 MONTH	2 MONTHS TO AUGUST 2019	2 MONTHS TO AUGUST 2018
Australian generation						
Wind generation volumes (GWh)	56	64	61	49	117	139
Average wind generation price ⁵ (\$/MWh)	\$124.7	\$148.0	\$122.3	\$126.1	\$123.4	\$150.6
Hydro generation volumes (GWh)	7	11	3	3	10	21
Average hydro generation price ⁵ (\$/MWh)	\$104.0	\$46.0	\$81.0	\$77.4	\$96.3	\$41.9
PPA generation received (GWh)	34	10	35	31	69	22
Average PPA generation price [net of costs] (\$/MWh)	\$30.3	-\$63.9	\$22.9	\$34.2	\$26.5	-\$65.0
Australian hedging						
Hedging volume ⁶ (GWh)	39		36	51	74	
Hedging costs (\$/MWh)	\$93.1		\$89.6	\$95.9	\$91.5	
Hedging spot revenue average price (\$/MWh)	\$105.4		\$99.6	\$99.0	\$102.7	
Future contract close outs (\$A M)	\$0.0	-\$0.1	-\$0.3	\$0.1	-\$0.3	-\$0.2

	AUGUST 2019 MONTH	AUGUST 2018 MONTH	JULY 2019 MONTH	JUNE 2019 MONTH	2 MONTHS TO AUGUST 2019	2 MONTHS TO AUGUST 2018
Meridian Group						
Employee and Operating Costs (\$m)	24	23	24	29	48	45
Stay in Business Capital Expenditure (\$m)	3	3	4	9	7	8
Investment Capital Expenditure (\$m)	2	1	1	1	3	2
Total Capital Expenditure (\$m)	5	4	5	10	10	10

Footnotes

- Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs
- Derivatives sold excluding the sell-side of virtual asset swaps
- Average price of both NZAS sales volume and derivative sales volumes
- Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants
- Volume weighted average price received for Meridian's physical generation
- Over the counter and ASX contract volumes excluding the buy-side of virtual asset swaps
- Financially responsible market participants, excluding vacants
- Meter installation registration numbers

FY20 OPERATING INFORMATION

	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020
New Zealand contracted sales												
Retail contracted sales volume (GWh)	599	630										
Average retail contracted sales price (\$NZ/MWh)	\$113.5	\$115.4										
NZAS sales volume (GWh)	463	463										
Financial contract sales volumes (GWh)	150	176										
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$69.9	\$70.9										
Retail customer supply volumes (GWh)	645	662										
Cost to supply retail customers (\$NZ/MWh)	\$110.4	\$135.6										
Cost to supply wholesale customers (\$NZ/MWh)	\$97.9	\$120.5										
Cost of financial contracts (\$NZ/MWh)	\$101.9	\$118.2										
Total New Zealand customer connections	304,993	307,798										
New Zealand generation												
Hydro generation volume (GWh)	1,111	1,106										
Wind generation volume (GWh)	116	135										
Total generation volume (GWh)	1,227	1,241										
Average generation price (\$NZ/MWh)	\$100.7	\$122.7										
New Zealand hedging												
Hedging volume (GWh)	145	139										
Hedging costs (\$NZ/MWh)	\$65.0	\$63.2										
Hedging spot revenue average price (\$NZ/MWh)	\$104.4	\$130.5										
Future contract close outs (\$NZm)	-0.3	-0.6										
Australia contracted sales												
Retail contracted electricity sales volume (GWh)	63	66										
Average electricity contracted sales price ¹ (\$A/MWh)	\$149.8	\$147.0										
Retail contracted gas sales volume (TJ)	176	192										
Average gas contracted sales price ¹ (\$A/GJ)	\$13.9	\$14.0										
Financial contract sales volumes ² (GWh)	54	43										
Financial contracted sales average price (\$A/MWh)	\$83.3	\$86.1										
Cost to supply electricity customers (\$A/MWh)	\$105.5	\$126.4										
Cost to supply gas customers (\$A/GJ)	\$11.8	\$11.4										
Cost of financial contracts (\$A/MWh)	\$86.9	\$101.0										
Powershop electricity customer connections ⁷	111,373	112,995										
Powershop gas customer connections ⁸	24,096	25,240										
Australia generation												
Wind generation volume (GWh)	61	56										
Average wind generation price (\$A/MWh)	\$122.3	\$124.7										
Hydro generation volume (GWh)	3	7										
Average hydro generation price (\$A/MWh)	\$81.0	\$104.0										
PPA generation received (GWh)	35	34										
Average PPA generation price [net of costs] (\$A/MWh)	\$22.9	\$30.3										
Australia hedging												
Hedging volume (GWh)	36	39										
Hedging costs (\$A/MWh)	\$89.6	\$93.1										
Hedging spot revenue average price (\$A/MWh)	\$99.6	\$105.4										
Future contract close outs (\$A M)	-\$0.3	\$0.0										
Meridian Group												
Employee and Operating Costs (\$NZ m)	24	24										
Stay in Business Capital Expenditure (\$NZ m)	4	3										
Investment Capital Expenditure (\$NZ m)	1	2										
Total Capital Expenditure (\$NZ m)	5	5										

FY19 OPERATING INFORMATION

	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
New Zealand contracted sales												
Retail contracted sales volume (GWh)	521	529	497	524	481	448	555	534	557	508	538	548
Average retail contracted sales price (\$NZ/MWh)	\$113.1	\$110.7	\$106.7	\$98.3	\$98.5	\$95.5	\$98.2	\$102.0	\$101.3	\$105.4	\$112.7	\$113.9
NZAS sales volume (GWh)	426	426	411	439	444	463	463	418	463	448	463	448
Financial contract sales volumes (GWh)	386	196	140	149	146	217	157	196	187	168	168	129
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$63.9	\$58.5	\$58.0	\$65.9	\$72.7	\$68.9	\$69.4	\$80.6	\$80.3	\$73.0	\$72.3	\$69.6
Retail customer supply volumes (GWh)	541	560	528	554	509	468	581	572	587	538	578	592
Cost to supply retail customers (\$NZ/MWh)	\$87.1	\$90.0	\$95.0	\$309.8	\$183.0	\$115.5	\$141.3	\$171.6	\$186.0	\$113.4	\$113.3	\$102.8
Cost to supply wholesale customers (\$NZ/MWh)	\$68.9	\$74.4	\$88.7	\$284.1	\$137.1	\$98.1	\$125.8	\$153.6	\$168.2	\$97.5	\$93.1	\$89.7
Cost of financial contracts (\$NZ/MWh)	\$71.8	\$93.1	\$94.3	\$267.7	\$152.7	\$116.5	\$126.1	\$156.8	\$163.0	\$104.4	\$96.3	\$103.0
Total New Zealand customer connections	292,091	292,906	293,386	294,695	296,064	296,532	297,621	299,351	299,905	301,230	301,508	302,277
New Zealand generation												
Hydro generation volume (GWh)	1,070	1,123	959	897	905	972	1,022	1,015	1,046	1,060	1,125	1,132
Wind generation volume (GWh)	126	90	115	107	99	83	116	104	81	99	123	100
Total generation volume (GWh)	1,196	1,213	1,074	1,004	1,004	1,055	1,138	1,119	1,128	1,159	1,248	1,232
Average generation price (\$NZ/MWh)	\$72.1	\$77.2	\$86.8	\$284.6	\$149.5	\$98.8	\$125.3	\$153.1	\$171.5	\$99.8	\$96.5	\$95.2
New Zealand hedging												
Hedging volume (GWh)	170	167	147	200	190	177	155	142	186	144	149	138
Hedging costs (\$NZ/MWh)	\$65.7	\$63.1	\$62.5	\$77.7	\$74.7	\$61.7	\$69.3	\$66.6	\$71.2	\$65.0	\$66.3	\$63.9
Hedging spot revenue average price (\$NZ/MWh)	\$74.5	\$80.8	\$87.9	\$290.6	\$180.8	\$104.6	\$127.7	\$157.7	\$168.4	\$103.1	\$101.9	\$97.5
Future contract close outs (\$NZm)	-0.1	-0.3	-0.6	-0.5	-0.5	-0.5	-0.4	-0.7	-2.8	-1.1	-0.4	-0.1
Australia contracted sales												
Retail contracted electricity sales volume (GWh)	58	57	48	41	37	39	44	38	45	41	49	58
Average electricity contracted sales price ¹ (\$A/MWh)	\$149.6	\$168.9									\$162.2	\$159.7
Retail contracted gas sales volume (TJ)	4	20	40	41	20	17	9	9	13	25	102	64
Average gas contracted sales price ¹ (\$A/GJ)	\$16.1	\$15.5									\$15.4	\$19.4
Financial contract sales volumes ² (GWh)											51	42
Financial contracted sales average price (\$A/MWh)											\$64.1	\$80.7
Cost to supply electricity customers (\$A/MWh)	\$103.1	\$105.7									\$112.4	\$133.7
Cost to supply gas customers (\$A/GJ)	\$14.8	\$12.8									\$11.7	\$29.4
Cost of financial contracts (\$A/MWh)											\$70.1	\$100.2
Powershop electricity customer connections ⁷	96,743	96,801	96,657	97,514	98,618	99,368	101,020	102,730	104,450	106,240	108,332	109,804
Powershop gas customer connections ⁸	1,137	4,776	7,558	9,577	11,333	12,508	14,309	16,751	18,225	19,990	21,426	22,612
Australia generation												
Wind generation volume (GWh)	74	64	43	40	37	36	33	30	33	36	49	49
Average wind generation price (\$A/MWh)	\$153.0	\$148.0									\$143.9	\$126.1
Hydro generation volume (GWh)	10	11	25	30	26	23	29	21	16	11	1	3
Average hydro generation price (\$A/MWh)	\$37.3	\$46.0									\$79.3	\$77.4
PPA generation received (GWh)	11	10									33	31
Average PPA generation price [net of costs] (\$A/MWh)	-\$66.0	-\$63.9									\$40.4	\$34.2
Australia hedging												
Hedging volume (GWh)											80	51
Hedging costs (\$A/MWh)											\$65.6	\$95.9
Hedging spot revenue average price (\$A/MWh)											\$58.2	\$99.0
Future contract close outs (\$A M)	-\$0.1	-\$0.1									\$0.0	\$0.1
Meridian Group												
Employee and Operating Costs (\$NZ m)	22	23	24	22	22	22	22	22	23	22	26	29
Stay in Business Capital Expenditure (\$NZ m)	5	3	4	5	4	3	3	3	3	4	5	9
Investment Capital Expenditure (\$NZ m)	1	1	1	1	1	1	1	2	1	1	2	1
Total Capital Expenditure (\$NZ m)	6	4	5	6	5	4	4	5	4	5	7	10

GLOSSARY

Hedging volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian’s physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers (including NZAS) and financial contracts
Combined catchment inflows	combined water inflows into Meridian’s Waitaki and Waiau hydro storage lakes
Cost of hedges	volume weighted average price Meridian pays for derivatives acquired
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales and financial contracts
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
FRMP	financially responsible market participant
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian’s Waitaki and Waiau hydro storage lakes over the last 85 years
Historic average storage	the historic average level of storage in Meridian’s Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority’s reconciled grid demand www.emi.ea.govt.nz
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Financial contract sales	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
TJ	Terajoules
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury New Zealand. They do not result in the physical supply of electricity